

**Joint Declaration of the Chinese Institute of Certified Public
Accountants and the Hong Kong Institute of Certified Public
Accountants on the Ongoing Convergence of China Auditing
Standards and Hong Kong Auditing Standards**

(5 September 2011)

The China Auditing Standards Board (CASB) and the Hong Kong Institute of Certified Public Accountants (HKICPA) signed a Joint Declaration on the convergence of China Auditing Standards (CAuSs) and Hong Kong Auditing Standards (HKAuSs) on 6 December 2007.

As set out in the Joint Declaration, both parties declare their commitment to maintain convergence of CAuSs and HKAuSs on an ongoing basis. Both CAuSs and HKAuSs are based on International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB).

On 27 February 2009, the IAASB completed its comprehensive Clarity Project to enhance the clarity of ISAs. The requirements of the new ISAs have been clarified and their quality has been significantly improved.

In this regard, the HKICPA has issued the Hong Kong equivalent standards to maintain convergence with the clarified ISAs with the same effective date which is for audits of financial statements for periods beginning on or after 15 December 2009.

In accordance with the principle of continuous and comprehensive convergence, the Chinese Institute of Certified Public Accountants (CICPA) has completed the revision of CAuSs, and achieved ongoing convergence with the clarified ISAs. The revised CAuSs have been officially released on 1 November 2010, and will be effective from 1 January 2012.

A standard by standard comparison has been conducted between the revised CAuSs and the clarified HKAuSs. The revised CAuSs have achieved convergence with clarified HKAuSs. The only additional standard included in the revised CAuSs is on communication between predecessor and successor auditors. This addition reflects specific requirements and circumstances in Mainland China and does not conflict with the clarified HKAuSs. A list of the clarified HKAuSs and the revised CAuSs is set out in Annex A.

Convergence is an ongoing process. The CICPA and the HKICPA will continue to communicate and work closely to achieve ongoing convergence between CAuSs and HKAuSs.

If there are any differences between the Chinese and English version of this Joint Declaration, the Chinese version shall take effect.

Chen Yugui

Deputy President & Secretary General

Chinese Institute of Certified
Public Accountants

Winnie C.W. Cheung

Chief Executive

Hong Kong Institute of
Certified Public Accountants